



Memorandum

To: Honorable Mayor Maso and Members of the Frisco City Council

cc: George Purefoy, City Manager
Ron Patterson, Assistant City Manager
Elizabeth Metting, P.E., Assistant Director / City Engineer

From: Lori Chapin, P.E., Senior Engineer

Date: January 20, 2009

Subject: Consider and act upon adoption of an Ordinance establishing a Municipal Storm Water Utility System and an Ordinance establishing a Municipal Storm Water Utility System Fee Schedule.

Action Requested: Consider and act upon adoption of an Ordinance establishing a Municipal Storm Water Utility System and an Ordinance establishing a Municipal Storm Water Utility System Fee Schedule.

Background Information: Staff presented information to City Council on December 16, 2008 regarding the proposed Municipal Storm Water Utility System and Fee Schedule. The fees presented for the residential and non-residential sectors were developed to support the services, equipment and materials needed to meet the compliance requirements within the City's Storm Water Management Plan. The proposed fee structure was also developed in a manner to meet the requirements of Texas Local Government Code §402 and in accordance with certain Attorney General opinions, and our own legal counsel's review which was previously provided directly to you. The proposed **three-tier** fee structure for the residential sector and the fee for the non-residential sector are as follows:

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Table 1				
Residential and Non-residential rates				
	FY 08-09	FY 09-10	FY 10-11	FY 11-12
Residential	\$/house	\$/house	\$/house	\$/house
Tier 1 < 5,000 SF	1.20	1.20	1.55	1.55
Tier 2 5,000 - 20,000 SF	2.00	2.00	2.60	2.60
Tier 3 > 20,000 SF	3.85	3.85	5.00	5.00
	\$/100SF	\$/100SF	\$/100SF	\$/100SF
Non-residential	0.057	0.057	0.074	0.074

**FY '07-'08 was the first year of the permit; however, no fees were assessed.

The proposed fees for Frisco compare favorably to the neighboring cities of Allen, McKinney and Plano. The following table summarizes the local area fees:

Table 2				
City Comparison				
Residential and Non-residential Monthly Rates				
	Allen (Flat)	McKinney (Flat)	Plano (Tiered)	Proposed Frisco (Tiered)
Small Residential	\$3.00	\$2.75	\$2.25	\$1.20
Average Residential	\$3.00	\$2.75	\$3.30	\$2.00
Large Residential	\$3.00	\$2.75	\$4.25	\$3.85
Non-residential (100 SF IA/mo)	\$0.52 Min - \$20.42/mo Max - \$100.00/mo	\$0.117 Min - \$2.75/mo Max - \$200.00/mo	\$0.056 + 10% IA Min - \$2.25/mo	\$0.057
Examples				
Small (McDonalds)	\$21.00	\$37.00	\$19.00	\$17.00
Large (Brookshires)	\$77.00	\$175.00	\$92.00	\$85.00

At the December 16, 2008 Meeting, City Council raised questions regarding the proposed fee structure and wanted to see what impact a two-tier or single rate fee would have on residential properties rates. The following table shows a rate comparison for three-tier, two-tier and single rate options:

Table 3 Tier Comparison Residential and Non-residential Property							
Properties		2009 -2010			2011 - Future		
Lot Size (SF)	Houses	3 - Tier	2 - Tier	Single Rate	3 - Tier	2 -Tier	Single Rate
< 5,000 SF	5%	\$1.20	\$1.20	\$2.05	\$1.55	\$1.55	\$2.65
5,000 - 20,000 SF	92%	\$2.00	\$2.10		\$2.60	\$2.70	
> 20,000 SF	3%	\$3.85			\$5.00		
Non-residential (100 SF IA/mo)		\$0.057	\$0.056	\$0.056	\$0.074	\$0.073	\$0.072

* IA = Impervious Area

As shown in Table 3, in order to generate the funding required to meet the mandated requirements of the program, the rates do not vary significantly. However, a tiered structure allows for assessing a rate that accounts for the “average” imperviousness for a given lot size. In order to appropriately determine what the “average” thus justifying the rates as nondiscriminatory, equitable and reasonable a detailed analysis of over 19,000 lots was undertaken. The most current data available was utilized to make this determination and provide you with a fee that meets these requirements. A single rate does not account for variability and some properties will pay slightly more or less than they would if a three-tiered fee structure were adopted.

Alternatives: City Council could consider the following alternatives:

- Approval of an Ordinance Adopting Municipal Storm Water Utility System;
- Approval of an Ordinance Adopting Municipal Storm Water Utility System Fee Schedule;
- Input towards the discussion as desired;
- Deny approval of the Ordinances and send back to staff with direction.

Financial Considerations: Implementation of a Municipal Storm Water Utility System and Fee Schedule for FY 08-09. Approval for future increases in the Storm Water Utility Fee requires City Council approval.

Legal Review: The Ordinances and the proposed fee structure have been reviewed and approved by the City Attorney’s Office as to form and legality.

Supporting Documents:

- Ordinance Adopting Municipal Storm Water Utility System
- Ordinance Adopting Municipal Storm Water Utility System Fee Schedule
- PowerPoint

Agenda Memorandum

Ordinance - Municipal Storm Water Utility System & Fee Schedule

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Staff Recommendation: Based on the data presented herein and legal review staff recommends approval of the Ordinance establishing a Municipal Storm Water Utility System and an Ordinance establishing a Municipal Storm Water Utility System Fee Schedule with three tiers. Staff will be present at the meeting to address the City Council's questions relating to this agenda item.